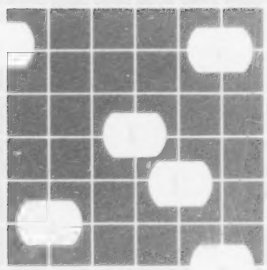
FOOD MARKETING INSTITUTE

Information Systems Study



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INFORMATION SYSTEMS STUDY 1987

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Food Marketing Institute

The Food Marketing Institute (FMI) is a nonprofit association conducting programs in research, education and public affairs on behalf of its 1,500 members -- food retailers and wholesalers and their customers in the United States and overseas. FMI's domestic member companies operate more than 17,000 retail food stores with a combined annual sales volume of $180 billion -- half of all grocery sales in the United States. More than three-fourths of the FMI's membership is composed of independent supermarket operators or small regional firms. Its international membership includes more than 150 members from 43 nations.

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EXECUTIVE SUMMARY

The FMI Information Systems Study, 1987 provides a detailed look at many facets of the information systems department in food distribution companies. One indicator of the importance of the IS department is the fact that in 1987, 84.4 percent of the companies surveyed indicated that they were using retail automation.

Over the past five years, the percentage of administration in the IS department has declined from 6.7 percent in 1982 to 4.9 percent in 1986. This does not mean that the department is any less administered but that the non-administrative departments have grown on proportion to the administrative sector. The total number of employees has increased phenomenally since 1982: over 27 percent for retail companies and 70 percent for wholesalers. Over 40 percent of IS expenses were allocated to wages and salaries of the departments employees with fringe benefits taking up another 10.7 percent.

Companies surveyed said they allocated 15.3 percent of their budgets to store systems and 84.7 percent to headquarters or distribution center systems. A typical company allocated $5,043,323 or 0.38 percent of total net company sales to the IS department. This did not differ greatly from the 0.40 percent actually spent. They expected to have an increase of 7.90 percent in their budgets for next year.

About one third of the IS department's time was spent on maintenance and problem solving. Almost 15 percent was allocated toward new applications for store systems and about 42 percent to new applications for headquarters and distribution center systems.

Regarding disaster recovery, just over one third of the companies surveyed indicated that they had a disaster recovery plan which had been reviewed in the past twelve months.

Over 60 percent of companies surveyed reported that the IS department was responsible for personal computers, 36 percent said they were responsible for retail services, 31.5 percent for word processing, and 21.3 percent for voice communications.

During each of the past five years, more and more companies have indicated advanced involvement with many different technologies. The most dramatic rise has been in the area of personal computers. In 1985, advanced use of PCs was 13.3 percent in 1985. In two years, this jumped to 34.4 percent. The use of UCS/DSD technology rose from 1.8 percent in 1984 to 9.9 percent in 1987.

This year, FMI asked about help desks in IS departments. A help desk is a resource which employees can use to answer their computer related questions. In 1987, 40.4 percent of the companies surveyed said they had a help desk which was staffed an average of 15.8 hours per week by 2.9 full-time equivalents. Just over 80 percent of these help desks supported scanning and retail automation and about 61 percent supported order entry. The typical company budgeted $127,405 for its help desk.

FOREWORD

The past year has been a dynamic one for the food distribution industry. Retailers continued to experiment with new and different store formats, often targeted toward specific ethnic and demographic groups. Store managers struggled to recruit workers from the shrinking labor force and the entire industry was rife with mergers and acquisitions.

In all of these areas, information technology can and is playing a leading role in every aspect of food distribution. As stores grow ever larger and offer more and more items, managers must keep in close touch with their inventory and reduce errors as much as possible. A smaller retailer reported that invoicing errors decreased and pricing had improved as a result of a Direct Store Delivery (DSD) system which tracks about 7,000 items from 120 vendors. Eventually it will interact with a time-and-attendance system as well as an accounts payable function.

Related to this is one of the most prominent developments for monitoring the flow of goods through our stores: scanning data. This information is being used in myriad ways by many parts of the industry -- from financial analysts to marketers and merchandisers. One interesting example is that of a Southeastern retailer who has begun testing a program that uses a computerized point-of-sale system to automatically credit participating customers with cents-off savings from store and manufacturers' coupons, which is tied in with special promotions for the targeted products.

Scanning data has facilitated another important advance in retailing, the Direct Product Profit (DPP) system of cost accounting. For many years, food distributors were unable to quantify many of the costs associated with selling an individual product; i.e., the time an item sits on the shelf, the amount of shelf space it occupies, and the time and handling involved in moving the product through the system.

DPP is a system for refining gross margins into net contributions for overhead and profit for individual items. With DPP, operators have the potential to examine each item's contribution to the store's overall productivity. It gives retailers a better understanding of inventory turnover, relative costs and profitability, and thus a better command of shelf space allocation, ordering and handling decisions. The DPP concept has been in existence for over twenty years, but it did not become operationally feasible until recently as a result of inexpensive, powerful computers, and the availability of scanning data.

In 1987, FMI looked at the use of DPP in the food distribution industry as part of the Food Marketing Industry Speaks, 1987. This study showed that 25 percent of the companies surveyed were actively involved with DPP. The largest use was among chain stores, with 40.5 percent saying they have investigated or implemented it. Wholesalers were not far behind at 34.2 percent, while 16.1 percent of independents said they were in some stage of involvement.

Information technology plays an influential role in the human resources area. It is used to do the payroll and to help in the allocation of increasingly scarce store-level personnel. For example, a large supermarket company reports using its customer check-cashing cards, which were already issued to employees, as time cards. Each store has a personal computer that gathers and records the information and then sends payroll and time card data to headquarters. This system enables a store manager to compile sales forecasts by department and coordinate them with actual pay rates instead of store average rates as was done previously. It also offers flexibility in scheduling: if actual sales do not meet sales forecasts, managers can rearrange schedules. The system can generate daily schedules, hours-to-date reports, budget reports, weekly time cards, end-of-the week reports and employee lists.

The supermarket industry is presently poised to surge forward in the application of information technology. The cost of such technology continues to decline, there are now proven store-level systems and software, and there is a wealth of experience gained from the application of scanning systems. These systems are an important tool in a highly competitive industry with tight margins.

In summary, some of the gains which can be made with information technology include: better customer service, more efficient interchange with warehouses, wholesalers and manufacturers, improved marketing information, cost reduction opportunities, more realistic monitoring of human resources, improved control of money and inventory, and the exploration of new markets.

METHODOLOGY

Now in its seventh year, the FMI Information Systems Study provides an overview of the current state of the Information Systems department in food distribution companies. The 1987 questionnaires were mailed to the Vice President of Information Systems of FMI member companies with annual sales of $50 million or more. With follow-up mailings, usable questionnaires were returned by 95 companies. A copy of the questionnaire is included in the appendix of this report.

The survey results have been tabulated by size of company in annual sales, and whether the company is a retailer or a wholesaler. This year, a new sales breakdown has been added for companies with sales between $1 billion and $3 billion annually. Where appropriate, the averages have been weighted by budget.

The particular question from which each table was derived has been included in the report. The numbers refer to the position of the question in the survey instrument itself. These numbers are not the same as those for the tables. For example, Question 6 appears with Table 8.

Food Marketing Institute is also preparing a study on the use of computers in owner/operator retail companies. It may be ordered from FMI's publication sales department.

NUMBER OF RESPONDENTS BY SIZE AND TYPE OF COMPANY

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)					
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
TOTAL	94	8	17	17	27	16	9
RETAILERS	72	7	14	13	20	11	7
WHOLESALERS	22	1	3	4	7	5	2

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

Continued

INFORMATION SYSTEMS STUDY

Table 1 details the proportion of employees in each area of the information systems department. Percentages of administration and systems employees have fallen in the past five years while operations percentages have risen. For example, in 1983, total administration accounted for 6.7 percent of the IS department compared to 4.9 percent in 1987, which was a slight rise from the 3.9 percent reported in 1986. On the other hand, the percentage of operations employees rose from 46.3 percent in 1983 to 47.9 percent in 1987. This five year trend also illustrated in the retailer and wholesaler breakdowns, points to the IS department's greater involvement in both store and company operations.

Q1. PLEASE PROVIDE THE NUMBER OF EMPLOYEES IN YOUR COMPANY DIRECTLY INVOLVED IN THE INFORMATION SYSTEMS FUNCTION.

TABLE 1-1
PERCENTAGE OF IS EMPLOYEES IN EACH JOB CATEGORY -- ALL COMPANIES

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)					
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
TOTAL	89	5	17	17	27	14	9
IS MANAGEMENT:							
SENIOR MANAGEMENT	2.8	9.5	8.3	4.1	3.0	1.5	3.1
GENERAL ADMINISTRATION/ SECRETARIAL	2.1	19.2	1.8	3.4	2.9	2.7	1.9
TOTAL MANAGEMENT	4.9	28.7	10.2	7.7	6.0	4.2	5.0
SYSTEMS:							
ADMINISTRATION & MANAGEMENT	2.6	5.2	6.0	2.9	3.9	1.7	2.7
DATA BASE/DATA ADMINISTRATION	1.3	5.2	.8	1.2	1.3	2.0	1.1
PROJECT MANAGEMENT	3.4	-	1.6	4.0	3.1	3.3	3.4
DEVELOPMENT (ANALYST/ PROGRAMMERS)	24.0	5.2	23.0	23.3	21.1	24.7	24.0
SYSTEMS PROGRAMMING	3.0	-	1.0	3.0	3.2	3.1	2.5
OTHER	.8	-	-	-	.6	.6	.9
TOTAL SYSTEMS	35.1	15.7	32.4	34.4	35.1	37.4	34.6

TABLE 1-1

PERCENTAGE OF IS EMPLOYEES IN EACH JOB CATEGORY -- ALL COMPANIES

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)					
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
OPERATIONS:							
ADMINISTRATION/MANAGEMENT/ SUPERVISION	7.4	16.4	3.3	6.0	5.5	5.5	7.9
OPERATIONS	20.8	3.0	19.1	14.2	20.5	20.6	21.0
DATA ENTRY EMPLOYEES	11.4	11.3	22.6	20.3	18.5	14.5	10.4
OTHER	8.2	-	1.1	3.4	2.4	2.3	9.8
TOTAL OPERATIONS	47.9	30.8	46.0	43.9	46.9	42.8	49.0
ADDITIONAL SUPPORT AREAS:							
STORE SYSTEMS SUPPORT	1.7	3.6	3.6	2.3	3.5	1.9	1.5
SCANNING SUPPORT	1.4	3.0	6.0	2.0	1.1	1.5	1.4
INFORMATION CENTER	1.8	-	-	1.2	1.1	1.6	1.9
HELP DESK	1.1	5.7	-	2.7	1.6	1.3	1.1
DATA SECURITY	.1	-	-	1.7	-	.1	.2
TELECOMMUNICATIONS VOICE	.8	2.0	.1	.3	.5	1.0	.7
TELECOMMUNICATIONS DATA	1.1	2.0	.3	-	.6	1.2	1.2
TECHICAL SUPPORT/SYSTEMS PROGRAMMERS	2.2	8.4	.3	1.8	.8	1.5	2.4
RETAIL AUTOMATION/SUPPORT	.4	-	1.2	.6	.9	.7	.3
QUALITY ASSURANCE	.4	-	-	1.1	.2	.5	.4
OTHER	1.0	-	-	.4	1.6	4.3	.2
TOTAL ADDITIONAL SUPPORT	12.1	24.8	11.4	14.0	11.9	15.6	11.3

NOTE: DATA WEIGHTED BY COMPANY SALES

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

TABLE 1-2

PERCENTAGE OF IS EMPLOYEES IN EACH JOB CATEGORY -- RETAILERS

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)					
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
TOTAL	67	4	14	13	20	9	7
IS MANAGEMENT:							
SENIOR MANAGEMENT	3.2	8.8	8.7	4.3	2.9	1.3	3.6
GENERAL ADMINISTRATION/ SECRETARIAL	2.5	22.5	1.5	2.8	2.9	3.0	2.4
TOTAL MANAGEMENT	5.7	31.3	10.2	7.0	5.8	4.3	6.0
SYSTEMS:							
ADMINISTRATION & MANAGEMENT	3.7	2.9	6.0	2.5	3.8	1.7	3.5
DATA BASE/DATA ADMINISTRATION	1.6	2.9	1.2	1.2	1.3	2.5	1.4
PROJECT MANAGEMENT	3.5	-	1.1	3.9	3.2	3.5	3.5
DEVELOPMENT (ANALYST/ PROGRAMMERS)	25.2	2.9	23.3	21.3	21.2	26.1	25.2
SYSTEMS PROGRAMMING	4.1	-	1.4	2.6	5.3	6.4	3.6
OTHER	.5	-	-	-	.8	.9	.4
TOTAL SYSTEMS	38.2	8.6	33.1	31.4	35.6	41.2	37.6
OPERATIONS:							
ADMINISTRATION/MANAGEMENT/ SUPERVISION	7.5	18.5	2.1	5.7	5.8	4.4	8.3
OPERATIONS	18.6	4.3	16.3	15.0	20.0	17.6	18.8
DATA ENTRY EMPLOYEES	10.0	11.4	25.0	21.9	17.5	11.4	9.2
OTHER	6.2	-	-	3.1	2.0	2.5	7.2
TOTAL OPERATIONS	42.3	34.2	43.4	45.7	45.3	35.9	43.5

Continued

TABLE 1-2

PERCENTAGE OF IS EMPLOYEES IN EACH JOB CATEGORY -- RETAILERS

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)					
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
ADDITIONAL SUPPORT AREAS:							
STORE SYSTEMS SUPPORT	2.0	5.0	4.0	3.0	3.6	2.4	1.9
SCANNING SUPPORT	1.3	4.3	2.6	2.7	1.5	1.3	1.3
INFORMATION CENTER	2.5	-	-	.9	1.1	1.6	2.7
HELP DESK	1.5	8.0	-	3.3	2.0	1.4	1.5
DATA SECURITY	.1	-	-	2.3	-	-	.1
TELECOMMUNICATIONS VOICE	1.0	2.9	.2	-	.6	1.3	1.0
TELECOMMUNICATIONS DATA	1.3	2.9	.5	-	.7	1.5	1.3
TECHICAL SUPPORT/SYSTEMS PROGRAMMERS	2.2	3.9	.4	2.5	.8	2.1	2.3
RETAIL AUTOMATION/SUPPORT	.1	-	.6	.8	.6	.2	-
QUALITY ASSURANCE	.3	-	-	.3	-	.6	.5
OTHER	1.4	-	-	-	2.5	6.2	.3
TOTAL ADDITIONAL SUPPORT	13.9	25.9	13.2	15.8	13.3	18.6	12.9

NOTE: DATA WEIGHTED BY COMPANY SALES

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

TABLE 1-3

PERCENTAGE OF IS EMPLOYEES IN EACH JOB CATEGORY -- WHOLESALERS

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)	
	AVERAGE	$ 50-499	$ 500 +
TOTAL	22	8	14
IS MANAGEMENT:			
SENIOR MANAGEMENT	2.1	4.9	2.1
GENERAL ADMINISTRATION/ SECRETARIAL	1.3	5.0	1.3
TOTAL MANAGEMENT	3.5	9.9	3.4
SYSTEMS:			
ADMINISTRATION & MANAGEMENT	1.3	4.5	1.3
DATA BASE/DATA ADMINISTRATION	.6	1.1	.6
PROJECT MANAGEMENT	3.2	4.0	3.2
DEVELOPMENT (ANALYST/ PROGRAMMERS)	21.7	27.6	21.7
SYSTEMS PROGRAMMING	.9	1.6	.9
OTHER	1.5	-	1.5
TOTAL SYSTEMS	29.3	40.8	29.3
OPERATIONS:			
ADMINISTRATION/MANAGEMENT/ SUPERVISION	7.3	6.9	7.3
OPERATIONS	25.2	13.8	25.3
DATA ENTRY EMPLOYEES	14.1	15.8	14.1
OTHER	12.1	3.9	12.1
TOTAL OPERATIONS	58.7	40.4	58.8

Continued

TABLE 1-3

PERCENTAGE OF IS EMPLOYEES IN EACH JOB CATEGORY -- WHOLESALERS

	AVERAGE	TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS) $ 50-499	$ 500 +
ADDITIONAL SUPPORT AREAS			
STORE SYSTEMS SUPPORT	1.0	.4	1.0
SCANNING SUPPORT	1.7	.4	1.7
INFORMATION CENTER	.6	1.7	.6
HELP DESK	.4	.8	.4
DATA SECURITY	.2	-	.2
TELECOMMUNICATIONS VOICE	.2	.8	.2
TELECOMMUNICATIONS DATA	.8	-	.8
TECHICAL SUPPORT/SYSTEMS PROGRAMMERS	2.1	.5	2.1
RETAIL AUTOMATION/SUPPORT	1.1	.4	1.1
QUALITY ASSURANCE	.3	2.7	.3
OTHER	.1	1.1	.1
TOTAL ADDITIONAL SUPPORT	8.5	8.9	8.5

NOTE: DATA WEIGHTED BY COMPANY SALES

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

Table 2 shows the average number of employees in the MIS department of a typical supermarket company. It is interesting to note that IS departments have experienced tremendous growth since 1983. Retailers have experienced over a 27 percent increase (43.7 employees vs. 61.7 employees) while wholesalers have seen an almost 70 percent growth (55.9 employees in 1982 vs. 94.6 in 1986).

Q1. PLEASE PROVIDE THE NUMBER OF EMPLOYEES IN YOUR COMPANY DIRECTLY INVOLVED IN THE INFORMATION SYSTEMS FUNCTION.

TABLE 2-1
AVERAGE NUMBER OF INFORMATION SYSTEMS EMPLOYEES BY SIZE AND TYPE OF COMPANY

	TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)						
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
TOTAL	69.8	8.6	7.9	20.5	40.8	145.9	282.6
RETAILERS	61.7	8.5	6.9	19.6	35.5	155.6	234.4
WHOLESALERS	94.6	9.0	12.8	23.5	56.1	128.6	451.5

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

Table 3 discusses the percentages of IS department expenses in several areas. The highest percentage, 40.1 percent, was allocated to wages and salaries. Over 23 percent went to equipment (rental, maintenance, and depreciation). Employee fringe benefits took 10.1 percent of IS expenses and software rental, amortization, and purchase used 6.4 percent.

Q2. FOR THIS FISCAL YEAR, PLEASE PROVIDE THE PERCENT OF YOUR TOTAL COMPANY INFORMATION SYSTEMS EXPENSE BUDGET THAT IS YOUR BUDGET RESPONSIBILITY ALLOCATED TO EACH OF THE FOLLOWING AREAS. PLEASE EXCLUDE ALL EQUIPMENT AND MAINTENANCE COSTS FOR IN-STORE SYSTEMS.

TABLE 3-1
PERCENTAGE OF IS EXPENSES IN EACH OF THE FOLLOWING AREAS ** -- ALL COMPANIES

	TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)						
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
TOTAL	62	3	12	12	16	12	7
WAGES AND SALARIES	40.1	33.6	37.9	38.8	34.9	40.6	41.6
EQUIPMENT (RENTAL, MAINTENANCE AND DEPRECIATION)	23.7	34.1	26.3	25.7	29.0	27.4	19.1
EMPLOYEE FRINGE BENEFITS	10.1	5.4	8.9	9.9	7.7	9.1	11.6

TABLE 3-1

PERCENTAGE OF IS EXPENSES IN EACH OF THE FOLLOWING AREAS ** -- ALL COMPANIES

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)					
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
SUPPLIES	6.3	5.7	11.8	10.0	9.3	5.9	4.9
SOFTWARE RENTAL, AMORTIZATION, AND PURCHASE	6.1	5.8	7.0	5.8	11.0	6.1	4.7
VOICE AND DATA COMMUNICATIONS	3.1	0	.4	.4	1.9	2.5	4.5
OVERHEAD	2.7	.5	1.2	1.9	1.8	1.2	4.3
EDUCATION, TRAINING	1.8	.6	1.4	1.4	.6	1.0	2.9
OUTSIDE PROFESSIONAL SERVICES	1.7	1.7	1.6	.9	.4	2.2	1.7
SERVICE BUREAUS	.9	0	.4	1.3	.8	1.2	.6
MAIL ROOM/WORD PROCESSING/ VOICE	.6	0	0	0	.7	0	.6
SCANNING	.4	11.1	2.2	3.8	.1	.3	0
DISASTER RECOVERY	.2	0	.1	.1	.2	.4	.1
PERSONAL COMPUTERS RETAIL SERVICE	.1	1.5	.2	.1	0	.3	0
HELP DESK	0	0	0	0	.2	0	0
OTHER	2.1	0	.6	.2	1.4	1.7	3.4

** QUESTION WAS REWORDED AND RESULTS MAY NOT BE COMPARABLE WITH PREVIOUS YEARS

NOTE: DATA WEIGHTED BY IS EXPENSE BUDGET

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

TABLE 3-2

PERCENTAGE OF IS EXPENSES IN EACH OF THE FOLLOWING AREAS ** -- RETAILERS

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)					
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
TOTAL	45	2	9	9	12	8	5
WAGES AND SALARIES	40.4	23.9	35.3	34.0	36.0	42.1	41.4
EQUIPMENT (RENTAL, MAINTENANCE AND DEPRECIATION)	19.9	17.6	24.4	27.3	27.7	25.6	11.9

Continued

TABLE 3-2

PERCENTAGE OF IS EXPENSES IN EACH OF THE FOLLOWING AREAS ** -- RETAILERS

	TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)						
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
EMPLOYEE FRINGE BENEFITS	11.2	6.0	5.6	10.5	6.6	9.9	14.1
SOFTWARE RENTAL, AMORTIZATION, AND PURCHASE	6.4	14.6	3.9	6.5	9.6	6.3	5.5
SUPPLIES	5.7	.6	10.5	11.8	10.1	6.2	3.0
VOICE AND DATA COMMUNICATIONS	3.6	0	.3	.6	2.5	2.2	5.5
OVERHEAD	2.7	1.2	.2	1.4	2.2	.6	4.7
EDUCATION, TRAINING	2.3	0	3.0	.6	.5	.8	4.2
OUTSIDE PROFESSIONAL SERVICES	2.0	4.2	5.4	1.3	.6	2.0	2.4
SERVICE BUREAUS	1.3	0	1.6	.1	1.0	1.9	1.1
MAIL ROOM/WORD PROCESSING VOICE	.7	0	0	0	1.2	0	1.1
SCANNING	.5	28.0	7.9	5.8	.2	0	0
DISASTER RECOVERY	.2	0	0	.2	.1	.3	.2
HELP DESK	0	0	0	0	.2	0	0
PERSONAL COMPUTERS RETAIL SERVICE	0	3.9	.6	.1	0	0	0
OTHER	3.1	0	1.2	.2	1.3	2.1	4.9

** QUESTION WAS REWORDED AND RESULTS MAY NOT BE COMPARABLE WITH PREVIOUS YEARS

NOTE: DATA WEIGHTED BY IS EXPENSE BUDGET

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

TABLE 3-3

PERCENTAGE OF IS EXPENSES IN EACH OF THE FOLLOWING AREAS ** -- WHOLESALERS

	AVERAGE	TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS) $ 50-499	$ 500 +
TOTAL	17	7	10
WAGES AND SALARIES	39.6	41.8	39.3
EQUIPMENT (RENTAL, MAINTENANCE AND DEPRECIATION)	29.7	26.0	30.2
EMPLOYEE FRINGE BENEFITS	8.2	9.6	8.0
SUPPLIES	7.3	10.4	6.9
SOFTWARE RENTAL, AMORTIZATION, AND PURCHASE	5.7	6.8	5.6
OVERHEAD	2.8	2.0	2.9
VOICE AND DATA COMMUNICATIONS	2.4	.3	2.7
OUTSIDE PROFESSIONAL SERVICES	1.1	.1	1.3
EDUCATION, TRAINING	1.1	1.5	1.0
DISASTER RECOVERY	.2	.1	.2
PERSONAL COMPUTERS RETAIL SERVICE	.2	0	.2
SCANNING	.2	0	.2
SERVICE BUREAUS	.2	1.2	.1
HELP DESK	0	0	0
MAIL ROOM/WORD PROCESSING VOICE	0	0	0
OTHER	1.1	3	1.2

** QUESTION WAS REWORDED AND RESULTS MAY NOT BE COMPARABLE WITH PREVIOUS YEARS

NOTE: DATA WEIGHTED BY IS EXPENSE BUDGET

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

Table 4 details the average budget expenses for the IS department. The first section shows the average amount of actual budget dollars allocated to various activities in the department. The average amount allocated to salaries and wages for all companies including fringe benefits was $2,229,075. This number varied by company size, from $79,500 for companies with annual sales between $50 million and $99 million to $9,581,150 for the largest companies. The amount allocated for total IS expenses for all companies was $5,043,323 (0.38 percent of total net sales), which varied from $218,333 for the smallest companies to $20,913,331 for the largest companies. As shown in Table 4-2, retailers allocated less ($4,241,288), than wholesalers ($6,928,105) in total IS budget expenses. Companies reported that the actual amount spent as a percent of sales did not differ greatly from the projected amount, 0.40 percent vs. the projected 0.38 percent. Companies surveyed reported an expected increase of 7.90 percent in the IS budget for next year.

Q3. PLEASE PROVIDE THE FOLLOWING IS EXPENSE BUDGET NUMBERS FOR THIS FISCAL YEAR. ONLY ACCOUNT FOR THOSE ITEMS THAT ARE YOUR BUDGET RESPONSIBILITY.

TABLE 4-1
BUDGET EXPENSES * -- ALL COMPANIES**

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)					
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
TOTAL	65	3	12	14	18	11	7
BUDGET DOLLARS ALLOCATED TO IS DEPARTMENT SALARIES AND WAGES, INCLUDING FRINGE BENEFITS*	2229075	79500	206832	645147	1316137	3852618	9581150
TOTAL	65	3	13	13	17	13	6
BUDGET DOLLARS ALLOCATED TO IS DEPARTMENT SALARIES AND WAGES, EXCLUDING FRINGE BENEFITS*	1800148	71000	162412	537675	1094693	2775921	8833688
TOTAL	67	3	12	14	18	13	7
BUDGET DOLLARS ALLOCATED TO ALL IS DEPARTMENT EXPENSES?	5043323	218333	1156176	1884701	2683106	8494267	20913331
TOTAL	63	3	11	12	17	13	7

TABLE 4-1

BUDGET EXPENSES *** -- ALL COMPANIES

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)					
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
PERCENTAGE OF NET COMPANY SALES BUDGETED TO IS DEPARTMENT (THIS FISCAL YEAR)**	.38	.36	.19	.35	.28	.39	.43
TOTAL	61	3	11	13	15	13	6
ACTUAL IS EXPENSE AS A PERCENTAGE OF NET COMPANY SALES (MOST RECENT FISCAL YEAR)**	.40	.35	.17	.39	.28	.42	.45
TOTAL	62	3	10	13	16	13	7
EXPECTED IS BUDGET INCREASE FOR NEXT FISCAL YEAR**	7.90	1.15	3.27	8.05	7.43	10.68	6.36

* UNWEIGHTED DATA

** DATA WEIGHTED BY INFORMATION SYSTEMS EXPENSE BUDGET

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

TABLE 4-2

BUDGET EXPENSES *** -- RETAILERS

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)					
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
TOTAL	46	2	9	10	13	7	5
BUDGET DOLLARS ALLOCATED TO IS DEPARTMENT SALARIES AND WAGES, INCLUDING FRINGE BENEFITS*	1886578	39250	146064	580168	1032238	4122545	7462191
TOTAL	46	2	10	10	12	8	4
BUDGET DOLLARS ALLOCATED TO IS DEPARTMENT SALARIES AND WAGES, EXCLUDING FRINGE BENEFITS*	1411589	31500	120074	443123	938292	2500208	6994236
TOTAL	47	2	9	10	13	8	5
BUDGET DOLLARS ALLOCATED TO ALL IS DEPARTMENT EXPENSES*	4241288	130000	425457	1127779	2272329	8478446	17321157

Continued

TABLE 4-2

BUDGET EXPENSES *** -- RETAILERS

	AVERAGE	TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS) 50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
TOTAL	44	2	8	8	13	8	5
PERCENTAGE OF NET COMPANY SALES BUDGETED TO IS DEPARTMENT (THIS FISCAL YEAR)**	.39	.16	.43	.09	.23	.43	.44
TOTAL	43	2	8	9	11	8	5
ACTUAL IS EXPENSE AS A PERCENTAGE OF NET COMPANY SALES (MOST RECENT FISCAL YEAR)**	.41	.11	.33	.23	.22	.49	.44
TOTAL	45	2	8	9	13	8	5
EXPECTED IS BUDGET INCREASE FOR NEXT FISCAL YEAR**	9.26	2.90	11.74	5.24	7.31	12.82	7.48

* UNWEIGHTED DATA

** DATA WEIGHTED BY INFORMATION SYSTEMS EXPENSE BUDGET

*** QUESTION WAS REWORDED AND RESULTS MAY NOT BE COMPARABLE WITH PREVIOUS YEARS

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

TABLE 4-3

BUDGET EXPENSES *** -- WHOLESALERS

	AVERAGE	TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS) $ 50-499	$ 500 +
TOTAL	19	8	11
BUDGET DOLLARS ALLOCATED TO IS DEPARTMENT SALARIES AND WAGES, INCLUDING FRINGE BENEFITS*	3058276	569724	4868132
TOTAL	19	7	12
BUDGET DOLLARS ALLOCATED TO IS DEPARTMENT SALARIES AND WAGES, EXCLUDING FRINGE BENEFITS*	2740869	517021	4038114

Continued

TABLE 4-3

BUDGET EXPENSES *** -- WHOLESALERS

	AVERAGE	TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS) $ 50-499	$ 500 +
TOTAL	20	8	12
BUDGET DOLLARS ALLOCATED TO ALL IS DEPARTMENT EXPENSES*	6928105	2177629	10095089
TOTAL	19	8	11
PERCENTAGE OF NET COMPANY SALES BUDGETED TO IS DEPARTMENT (THIS FISCAL YEAR)**	.37	.32	.37
TOTAL	18	8	10
ACTUAL IS EXPENSE AS A PERCENTAGE OF NET COMPANY SALES (MOST RECENT FISCAL YEAR)**	.37	.32	.38
TOTAL	17	7	10
EXPECTED IS BUDGET INCREASE FOR NEXT FISCAL YEAR**	5.87	4.99	6.00

* UNWEIGHTED DATA

** DATA WEIGHTED BY INFORMATION SYSTEMS EXPENSE BUDGET

*** QUESTION WAS REWORDED AND RESULTS MAY NOT BE COMPARABLE WITH PREVIOUS YEARS

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

Figure 1 illustrates the trend in the average information systems expense over the past five years. Figure 2 shows the average expected increase in the IS budget for each year, also for the past five years. Table 5 breaks down the IS budget by percentages allocated to store systems versus headquarters and distribution center systems. In 1987, 15.3 percent of the budget for all companies was allocated to store systems and 84.7 percent to Headquarters/Distribution Center systems. Interestingly, these percentages are not very different for a retailer or wholesaler: 15.7 and 84.3 for retailers compared with 14.7 and 85.3 for wholesalers. These percentages are very similar to those reported for 1986.

FIGURE 1
AVERAGE INFORMATION SYSTEMS EXPENSE
FOR THE CURRENT FISCAL YEAR

FIGURE 2
AVERAGE EXPECTED INCREASE IN NEXT
YEARS INFORMATION SYSTEMS BUDGET

Q3F. WHAT PERCENT OF YOUR TOTAL EXPENSE BUDGET IS ALLOCATED TO:

TABLE 5-1

PERCENTAGE OF TOTAL IS EXPENSE BUDGET ALLOCATED TO: -- ALL COMPANIES

	TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)						
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
TOTAL	62	3	11	14	16	11	7
STORE SYSTEMS	15.3	24.9	30.3	12.1	12.9	10.4	18.0
HEADQUARTER/DIST. CTR. SYSTEMS	84.7	75.1	69.7	87.9	87.1	89.6	82.0

NOTE: DATA WEIGHTED BY INFORMATION SYSTEMS EXPENSE BUDGET

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

TABLE 5-2

PERCENTAGE OF TOTAL IS EXPENSE BUDGET ALLOCATED TO: -- RETAILERS

	TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)						
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
TOTAL	45	2	9	10	12	7	5
STORE SYSTEMS	15.7	62.7	35.3	10.2	13.4	9.5	20.3
HEADQUARTER/DIST. CTR. SYSTEMS	84.3	37.3	64.7	89.8	86.6	90.5	79.7

NOTE: DATA WEIGHTED BY INFORMATION SYSTEMS EXPENSE BUDGET

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

TABLE 5-3

PERCENTAGE OF TOTAL IS EXPENSE BUDGET ALLOCATED TO: -- WHOLESALERS

	TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)		
	AVERAGE	$ 50-499	$ 500 +
TOTAL	17	7	10
STORE SYSTEMS	14.7	22.1	13.5
HEADQUARTER/DIST. CTR. SYSTEMS	85.3	77.9	86.5

NOTE: DATA WEIGHTED BY INFORMATION SYSTEMS EXPENSE BUDGET

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

Table 6 details the percentage of time allocated to IS activities. Almost a third of the time is allocated to maintenance and problem solving: 29.8 percent for all companies, 28.7 percent for retailers and 33.0 percent for wholesalers. New applications for store systems took an average of 14.8 percent of the time, while new applications for headquarters and distribution systems took 41.7 percent. When you look at the annual sales breakdown in this category, it reveals that the smaller retailers typically allocated a much greater percentage of their time to new applications for store systems: 60.0 percent versus the 15.2 percent average for all retailers.

Q4. WHAT PERCENT OF SYSTEMS DEVELOPMENT ACTIVITY INCLUDING YOUR OWN AND VENDOR TIME IS ALLOCATED TO:

TABLE 6-1
PERCENTAGE OF TIME ALLOCATED TO IS ACTIVITIES -- ALL COMPANIES

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)					
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
TOTAL	83	4	16	15	26	14	8
NEW APPLICATIONS/MAJOR ENHANCEMENTS FOR:							
STORE SYSTEMS	14.8	30.0	19.2	11.7	17.9	10.5	17.6
HEADQUARTER/DIST. CENTER SYSTEMS	41.7	12.5	27.3	40.2	37.4	48.3	38.2
INTERNAL IS PROJECTS	12.9	20.0	6.9	11.7	10.7	11.7	15.6
MAINTENANCE/PROBLEM SOLVING	29.8	37.5	46.0	36.4	33.1	28.8	27.5
OTHER	9	0	6	0	9	6	1.2

NOTE: DATA WEIGHTED BY TOTAL NUMBER OF SYSTEMS EMPLOYEES

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

TABLE 6-2

PERCENTAGE OF TIME ALLOCATED TO IS ACTIVITIES -- RETAILERS

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)					
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
TOTAL	63	3	13	12	19	9	7
NEW APPLICATIONS/MAJOR ENHANCEMENTS FOR:							
STORE SYSTEMS	15.2	60.0	19.4	11.6	18.8	10.6	18.3
HEADQUARTER/DIST. CENTER SYSTEMS	40.7	0	25.7	42.5	42.8	46.7	34.7
INTERNAL IS PROJECTS	14.4	30.0	5.9	9.9	9.4	12.8	18.7
MAINTENANCE/PROBLEM SOLVING	28.7	10.0	49.0	36.0	28.2	29.1	26.7
OTHER	1.1	0	0	0	.8	.8	1.6

NOTE: DATA WEIGHTED BY TOTAL NUMBER OF SYSTEMS EMPLOYEES

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

TABLE 6-3

PERCENTAGE OF TIME ALLOCATED TO IS ACTIVITIES -- WHOLESALERS

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)	
	AVERAGE	$ 50-499	$ 500 +
TOTAL	20	7	13
NEW APPLICATIONS/MAJOR ENHANCEMENTS FOR:			
STORE SYSTEMS	13.6	13.0	13.6
HEADQUARTER/DIST. CENTER SYSTEMS	44.4	32.2	45.4
INTERNAL IS PROJECTS	8.8	14.1	8.3
MAINTENANCE/PROBLEM SOLVING	33.0	40.1	32.4
OTHER	1	6	.1

NOTE: DATA WEIGHTED BY TOTAL NUMBER OF SYSTEMS EMPLOYEES

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

Table 7 looks at disaster recovery practices. A little over one-third of companies surveyed (35.2 percent) have such a plan and it has been reviewed in the last twelve months. In 1986, 36.4 percent of companies surveyed had reviewed their plans.

Q5a. DO YOU HAVE A FORMAL DISTASTER RECOVERY PLAN THAT HAS BEEN REVIEWED IN THE LAST 2 MONTHS?

Q5b. WHAT KIND OF DISASTER RECOVERY PLAN DO YOU HAVE:

Q5c. HAVE YOU TESTED THE DISASTER RECOVERY PLAN IN THE LAST SIX MONTHS?

TABLE 7-1
FORMAL DISASTER RECOVERY PLAN -- ALL COMPANIES

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)					
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
TOTAL	91	7	17	17	27	16	7
HAVE FORMAL DISASTER RECOVERY PLAN WHICH HAS BEEN REVIEWED IN PAST 12 MONTHS	35.2	28.6	23.5	17.6	37.0	50.0	71.4
TYPE OF DISASTER RECOVERY PLAN:							
TOTAL	30	2	4	3	9	7	5
REMOTE HOT SITE	30.0	50.0	-	-	44.4	42.9	20.0
REMOTE COLD SITE	26.7	50.0	25.0	-	11.1	42.9	40.0
DUAL SITE	20.0	-	25.0	66.7	11.1	-	40.0
OTHER	23.3	-	50.0	33.3	33.3	14.3	-
TOTAL	84	6	16	15	25	15	7
DISASTER RECOVERY PLAN TESTED IN LAST SIX MONTHS	21.4	33.3	12.5	20.0	16.0	26.7	42.9

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

TABLE 7-2

FORMAL DISASTER RECOVERY PLAN -- RETAILERS

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)					
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
TOTAL	70	6	14	13	20	11	6
HAVE FORMAL DISASTER RECOVERY PLAN WHICH HAS BEEN REVIEWED IN PAST 12 MONTHS	40.0	33.3	28.6	15.4	45.0	54.5	83.3
TYPE OF DISASTER RECOVERY PLAN:							
TOTAL	26	2	4	2	8	5	5
REMOTE HOT SITE	26.9	50.0	-	-	37.5	40.0	20.0
REMOTE COLD SITE	30.8	50.0	25.0	-	12.5	60.0	40.0
DUAL SITE	19.2	-	25.0	50.0	12.5	-	40.0
OTHER	23.1	-	50.0	50.0	37.5	-	-
TOTAL	65	5	13	12	19	10	6
DISASTER RECOVERY PLAN TESTED IN LAST SIX MONTHS	24.6	20.0	15.4	25.0	15.8	30.0	50.0

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

TABLE 7-3

FORMAL DISASTER RECOVERY PLAN -- WHOLESALERS

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)	
	AVERAGE	$ 50-499	$ 500 +
TOTAL	21	8	13
HAVE FORMAL DISASTER RECOVERY PLAN WHICH HAS BEEN REVIEWED IN PAST 12 MONTHS	19.0	12.5	23.1
TYPE OF DISASTER RECOVERY PLAN:			
TOTAL	4	1	3
REMOTE HOT SITE	50.0	-	66.7
REMOTE COLD SITE	-	-	-
DUAL SITE	25.0	100.0	-
OTHER	25.0	-	33.3
TOTAL	19	7	12
DISASTER RECOVERY PLAN TESTED IN LAST SIX MONTHS	10.5	-	16.7

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

Table 8 discusses the responsibilities of the IS department. In 1987, 60.4 percent of the departments surveyed were responsible for personal computers, 36.3 percent for retail services, 31.9 percent for word processing and 22.0 percent for voice communications.

Q6. DOES THE IS DEPARTMENT HAVE BUDGETARY RESPONSIBILITY FOR:

TABLE 8-1
RESPONSIBILITIES OF IS DEPARTMENT ** -- ALL COMPANIES

	TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)						
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
TOTAL	91	7	16	17	26	16	9
PERSONAL COMPUTERS	60.4	57.1	62.5	58.8	57.7	62.5	66.7
RETAIL SERVICES	36.3	42.9	31.3	29.4	38.5	37.5	44.4
WORD PROCESSING	31.9	14.3	18.8	17.6	46.2	50.0	22.2
VOICE	22.0	-	6.3	11.8	30.8	37.5	33.3
MAIL ROOM	8.8	14.3	-	-	15.4	12.5	11.1

** MULTIPLE RESPONSES ACCEPTED

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

TABLE 8-2

RESPONSIBILITIES OF IS DEPARTMENT ** -- RETAILERS

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)					
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
TOTAL	69	6	13	13	19	11	7
PERSONAL COMPUTERS	58.0	50.0	53.8	53.8	57.9	72.7	57.1
RETAIL SERVICES	31.9	50.0	23.1	30.8	31.6	36.4	28.6
WORD PROCESSING	30.4	16.7	15.4	15.4	47.4	54.5	14.3
VOICE	24.6	-	7.7	15.4	36.8	45.5	28.6
MAIL ROOM	11.6	16.7	-	-	21.1	18.2	14.3

** MULTIPLE RESPONSES ACCEPTED

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

TABLE 8-3

RESPONSIBILITIES OF IS DEPARTMENT ** -- WHOLESALERS

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)	
	AVERAGE	$ 50-499	$ 500 +
TOTAL	22	8	14
PERSONAL COMPUTERS	68.2	87.5	57.1
RETAIL SERVICES	50.0	37.5	57.1
WORD PROCESSING	36.4	25.0	42.9
VOICE	13.6	-	21.4
MAIL ROOM	-	-	-

** MULTIPLE RESPONSES ACCEPTED

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

Table 9 shows the level of various technologies used by the companies surveyed. Data bases represented the largest percentage of advanced use, by 40.4 percent of the companies surveyed. Also of importance were personal computers, with 34.4 percent of companies surveyed reporting advanced use. Other high ranking items were microfiche with 36.3 percent and fourth generation languages with 25.0 percent.

Q7. PLEASE CHECK ONE BOX FOR EACH OF THE FOLLOWING TECHNOLOGIES, INDICATING YOUR COMPANY'S LEVEL OF EXPERIENCE FOR THAT TECHNOLOGY.

TABLE 9
EXPERIENCE WITH SELECTED TECHNOLOGIES
(PERCENTAGE OF COMPANIES RESPONDING IN EACH CATEGORY)

	EVALUATION	DEVELOPMENT	LIMITED USE	ADVANCED USE	NOT APPLICABLE	TOTAL
INFORMATION CENTER	21.7	1.1	33.7	20.7	22.8	92 100.0
DATA BASE	12.4	10.1	22.5	40.4	14.6	89 100.0
DISTRIBUTION PROCESSING BETWEEN DIVISIONS	5.6	7.9	18.0	15.7	52.8	89 100.0
DISTRIBUTION PROCESSING IN-STORE	14.1	12.0	26.1	21.7	26.1	92 100.0
MICRO-FICHE	5.5	1.1	37.4	36.3	19.8	91 100.0
LASER PRINTING	24.2	7.7	18.7	26.4	23.1	91 100.0
COMPUTER GRAPHICS	20.7	5.4	39.1	8.7	26.1	92 100.0
PERSONAL COMPUTERS WITH MAINFRAME CONNECTION	8.6	7.5	45.2	34.4	4.3	93 100.0
4TH GENERATION LANGUAGE	26.1	5.4	19.6	25.0	23.9	92 100.0
ATM	20.0	7.8	20.0	15.6	36.7	90 100.0
EFT-POS	40.4	11.2	6.7	4.5	37.1	89

TABLE 9

EXPERIENCE WITH SELECTED TECHNOLOGIES (PERCENTAGE OF COMPANIES RESPONDING IN EACH CATEGORY)

	EVALUATION	DEVELOPMENT	LIMITED USE	ADVANCED USE	NOT APPLICABLE	TOTAL
						100.0
UCS	33.3	10.0	17.8	8.9	30.0	90 100.0
UCS/DSD	42.9	11.0	2.2	9.9	34.1	91 100.0
CLERK OPERATED TERMINAL	14.1	1.2	9.4	32.9	42.4	85 100.0
OFFICE AUTOMATION	14.0	8.6	43.2	17.2	15.1	93 100.0
EXPERT SYSTEMS	37.3	2.4	2.4	-	57.8	83 100.0
ON-LINE DOCUMENTATION	15.9	8.0	29.5	14.8	31.8	88 100.0
ON-LINE TRAINING	20.5	9.1	26.1	8.0	36.4	88 100.0

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

Table 10 shows the percent of companies using retail automation, the first time FMI has collected this data. In 1987 84.6 percent of all companies surveyed said they were using retail automation. Table 11 sheds some additional light on the subject, giving the percentage of stores using retail automation. It indicates the percentage of stores in which retail automation is being tested or implemented in various categories, either on a personal computer or a mini-computer. For example, 11.0 percent of stores surveyed are now using a personal computer for DSD, while 3.3 percent are using it on a mini-computer. The table also shows that 0.5 percent of stores surveyed are testing the use of DSD on a PC and 0.1 percent are testing its use on a mini-computer. Retail automation is loosely defined as any application of small computers to retail operations.

Q8A. DO YOU HAVE ANY RETAIL AUTOMATION?

TABLE 10-1
PERCENTAGE OF COMPANIES USING RETAIL AUTOMATION -- ALL COMPANIES

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)					
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
TOTAL	91	6	16	17	27	16	9
HAVE RETAIL AUTOMATION	84.6	66.7	81.3	82.4	85.2	87.5	100.0
DO NOT HAVE RETAIL AUTOMATION	15.4	33.3	18.8	17.6	14.8	12.5	-

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

TABLE 10-2
PERCENTAGE OF COMPANIES USING RETAIL AUTOMATION -- RETAILERS

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)					
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
TOTAL	69	5	13	13	20	11	7
HAVE RETAIL AUTOMATION	84.1	80.0	76.9	84.6	80.0	90.9	100.0
DO NOT HAVE RETAIL AUTOMATION	15.9	20.0	23.1	15.4	20.0	9.1	-

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

TABLE 10-3
PERCENTAGE OF COMPANIES USING RETAIL AUTOMATION -- WHOLESALERS

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)	
	AVERAGE	$ 50-499	$ 500 +
TOTAL	22	8	14
HAVE RETAIL AUTOMATION	86.4	75.0	92.9
DO NOT HAVE RETAIL AUTOMATION	13.6	25.0	7.1

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

Q8b. FOR PERSONAL COMPUTERS AND/OR MINI COMPUTERS, PLEASE INDICATE THE NUMER OF STORES IN WHICH RETAIL AUTOMATION IS EITHER BEING TESTED OR IS IN FULL PRODUCTION.

TABLE 11
PERCENTAGE OF STORES USING RETAIL AUTOMATION

	TEST		PRODUCTION	
	PC	MINI	PC	MINI
TOTAL	6870	6870	6870	6870
DSD	.7	.1	12.7	4.0
LABOR SCHEDULING	1.0	.1	3.1	4.0
VIDEO RENTALS	.7	.2	3.4	2.8
ELECTRONIC MAIL	.1	.2	4.0	8.3
SCAN INTERFACE	.3	.1	3.6	16.3
PHARMACY	-	-	7.6	8.2
ADMINISTRATION	-	.1	1.3	2.3
TIME AND ATTENDANCE	1.2	.2	16.2	4.2
SCALE INTERCONNECT	.6	-	3.4	1.7
OTHER	.5	.1	4.7	.8

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

This year, FMI looked at help desks. A help desk is a resource which employees can use to resolve computer-related problems. Table 12 covers the percent of companies using help desks. In 1987, 40.4 percent of the companies surveyed have a help desk. Table 13 discusses who supervises the help desk. Of the companies surveyed, 24.3 percent said it reports to the operations area, 21.6 percent said it reports to the data processing/data center/technology center, 16.2 percent said it reports to another director or manager, etc. According to Table 14, 2.9 full-time equivalents (FTE's) staff the help desk.* The average hours of coverage per week for the help desk are illustrated in Table 15. The companies surveyed indicated on average coverage was 15.8 hours per week. There was live coverage for an average of 12.1 hours per week and on-call coverage for 19.6 hours per week. Slightly over 80 percent of those companies had a help desk to support scanning and retail automation (Table 16) with an average budget of $127,405 (Table 17). The larger companies spent an average of $176,899 compared with $28,417 for wholesalers.

*An FTE is a position which requires 2080 hours per year. Two people working 20 hours a week would equal one FTE because they work a total of 2080 hours per year.

Q9a. DO YOU HAVE A HELP DESK?

TABLE 12-1
COMPANIES WITH HELP DESKS -- ALL COMPANIES

	TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)						
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
TOTAL	94	8	17	17	27	16	9
HAVE HELP DESK	40.4	25.0	11.8	11.8	40.7	81.3	88.9
DO NOT HAVE HELP DESK	59.6	75.0	88.2	88.2	59.3	18.8	11.1

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

TABLE 12-2
COMPANIES WITH HELP DESKS -- RETAILERS

	TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)						
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
TOTAL	72	7	14	13	20	11	7
HAVE HELP DESK	34.7	28.6	7.1	7.7	30.0	81.8	85.7
DO NOT HAVE HELP DESK	65.3	71.4	92.9	92.3	70.0	18.2	14.3

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

TABLE 12-3
COMPANIES WITH HELP DESKS -- WHOLESALERS

	TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)		
	AVERAGE	$ 50-499	$ 500 +
TOTAL	22	8	14
HAVE HELP DESK	59.1	25.0	78.6
DO NOT HAVE HELP DESK	40.9	75.0	21.4

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

Q9b. WHAT POSITION DOES IT REPORT TO?

TABLE 13-1
POSITION HELP DESK REPORTS TO -- ALL COMPANIES

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)					
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
TOTAL	37	1	2	2	11	13	8
OPERATIONS	24.3	100.0	-	50.0	18.2	15.4	37.5
DATA PROCESSING/DATA CENTER/ TECHNOLOGY CENTER	21.6	-	50.0	-	36.4	15.4	12.5
OTHER DIRECTOR/MANAGER	16.2	-	-	-	-	30.8	25.0
RETAIL SYSTEMS/SERVICES	10.8	-	-	-	18.2	7.7	12.5
INFORMATION SYSTEMS/SERVICES	10.8	-	50.0	-	-	15.4	12.5
MANAGER/DIRECTOR STORE SYSTEMS	8.1	-	-	-	18.2	7.7	-
OTHER	8.1	-	-	50.0	9.1	7.7	-

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

TABLE 13-2
POSITION HELP DESK REPORTS TO -- RETAILERS

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)					
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
TOTAL	24	1	1	1	6	9	6
OPERATIONS	29.2	100.0	-	-	33.3	11.1	50.0
DATA PROCESSING/DATA CENTER/ TECHNOLOGY CENTER	16.7	-	100.0	-	16.7	11.1	16.7
OTHER DIRECTOR/MANAGER	16.7	-	-	-	-	33.3	16.7
INFORMATION SYSTEMS/SERVICES	12.5	-	-	-	-	22.2	16.7
MANAGER/DIRECTOR STORE SYSTEMS	8.3	-	-	-	16.7	11.1	-
RETAIL SYSTEMS/SERVICES	8.3	-	-	-	16.7	11.1	-
OTHER	8.3	-	-	100.0	16.7	-	-

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

TABLE 13-3

POSITION HELP DESK REPORTS TO -- WHOLESALERS

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)	
	AVERAGE	$ 50-499	$ 500 +
TOTAL	13	2	11
DATA PROCESSING/DATA CENTER/ TECHNOLOGY CENTER	30.8	-	36.4
OPERATIONS	15.4	50.0	9.1
RETAIL SYSTEMS/SERVICES	15.4	-	18.2
OTHER DIRECTOR/MANAGER	15.4	-	18.2
MANAGER/DIRECTOR STORE SYSTEMS	7.7	-	9.1
INFORMATION SYSTEMS/SERVICES	7.7	50.0	-
OTHER	7.7	-	9.1

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

Q9c. HOW MANY FULL-TIME EQUIVALENTS (FTE'S) ARE ASSIGNED TO THE HELP DESK?

TABLE 14-1

AVERAGE NUMBER OF FULL-TIME EQUIVALENTS ASSIGNED TO HELP DESK -- ALL COMPANIES

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)					
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
TOTAL	37	2	2	2	11	12	8
AVERAGE FTE'S	2.9	1.7	.8	1.5	1.7	3.3	4.9

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

TABLE 14-2

AVERAGE NUMBER OF FULL-TIME EQUIVALENTS ASSIGNED TO HELP DESK -- RETAILERS

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)					
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
TOTAL	25	2	1	1	6	9	6
AVERAGE FTE'S	3.6	1.7	1.0	2.0	2.2	3.9	6.0

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

TABLE 14-3

AVERAGE NUMBER OF FULL-TIME EQUIVALENTS ASSIGNED TO HELP DESK -- WHOLESALERS

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)	
	AVERAGE	$ 50-499	$ 500 +
TOTAL	12	2	10
AVERAGE FTE'S	1.3	.8	1.4

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

Q9d. WHAT ARE THE HOURS OF COVERAGE? LIVE? ON-CALL?

TABLE 15-1

AVERAGE HOURS OF COVERAGE FOR HELP DESK -- ALL COMPANIES

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)					
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
TOTAL	33	1	1	2	10	13	6
AVERAGE HOURS OF COVERAGE	15.8	12.0	24.0	24.0	14.1	15.2	16.7
TOTAL	17	0	1	1	5	6	4
LIVE	12.1	0	9.0	24.0	9.2	11.5	14.5
TOTAL	16	0	1	0	5	7	3
ON-CALL	19.6	0	16.0	0	22.4	18.4	18.7

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

TABLE 15-2

AVERAGE HOURS OF COVERAGE FOR HELP DESK -- RETAILERS

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)					
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
TOTAL	21	1	1	1	5	9	4
AVERAGE HOURS OF COVERAGE	18.2	12.0	24.0	24.0	18.8	16.3	20.5
TOTAL	15	0	1	1	4	5	4
LIVE	12.6	0	9.0	24.0	9.5	12.0	14.5
TOTAL	13	0	1	0	4	5	3
ON-CALL	18.5	0	16.0	0	22.0	16.2	18.7

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

TABLE 15-3

AVERAGE HOURS OF COVERAGE FOR HELP DESK -- WHOLESALERS

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)	
	AVERAGE	$ 50-499	$ 500 +
TOTAL	12	1	11
AVERAGE HOURS OF COVERAGE	11.7	24.0	10.5
TOTAL	2	0	2
LIVE	8.5	0	8.5
TOTAL	3	0	3
ON-CALL	24.0	0	24.0

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

Q9e. WHAT FUNCTIONAL AREAS ARE SUPPORTED?

TABLE 16-1
FUNCTIONAL AREAS SUPPORTED BY HELP DESK ** -- ALL COMPANIES

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)					
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
TOTAL	36	1	2	2	11	12	8
SCANNING	80.6	100.0	100.0	-	81.8	83.3	87.5
RETAIL AUTOMATION	80.6	100.0	100.0	50.0	90.9	83.3	62.5
ORDER ENTRY	61.1	-	100.0	100.0	54.5	66.7	50.0

** MULTIPLE RESPONSES ACCEPTED

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

TABLE 16-2
FUNCTIONAL AREAS SUPPORTED BY HELP DESK ** -- RETAILERS

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)					
	AVERAGE	50-99	100-249	250-499	500-999	1000-2999	3 BILLION+
TOTAL	24	1	1	1	6	9	6
SCANNING	87.5	100.0	100.0	-	83.3	88.9	100.0
RETAIL AUTOMATION	79.2	100.0	100.0	-	100.0	88.9	50.0
ORDER ENTRY	58.3	-	100.0	100.0	33.3	77.8	50.0

** MULTIPLE RESPONSES ACCEPTED

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

TABLE 16-3
FUNCTIONAL AREAS SUPPORTED BY HELP DESK ** -- WHOLESALERS

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)	
	AVERAGE	$ 50-499	$ 500 +
TOTAL	12	2	10
RETAIL AUTOMATION	83.3	100.0	80.0
SCANNING	66.7	50.0	70.0
ORDER ENTRY	66.7	100.0	60.0

** MULTIPLE RESPONSES ACCEPTED

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

TABLE 17-1

AVERAGE BUDGET FOR HELP DESK -- ALL COMPANIES

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)					
	AVERAGE	$ 50-99	$ 100-249	$ 250-499	$ 500-999	$ 1000-2999	$ 3 BILLION+
TOTAL	19	0	1	0	5	9	4
AVERAGE BUDGET	127405	0	30000	0	64157	113437	258750

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

TABLE 17-2

AVERAGE BUDGET FOR HELP DESK -- RETAILERS

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)					
	AVERAGE	$ 50-99	$ 100-249	$ 250-499	$ 500-999	$ 1000-2999	$ 3 BILLION+
TOTAL	13	0	0	0	3	7	3
AVERAGE BUDGET	176899	0	0	0	80933	147500	341667

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

TABLE 17-3

AVERAGE BUDGET FOR HELP DESK -- WHOLESALERS

		TOTAL ANNUAL COMPANY SALES (IN MILLIONS OF DOLLARS)	
	AVERAGE	$ 50-499	$ 500 +
TOTAL	6	1	5
AVERAGE BUDGET	28417	30000	28100

NOTE: UNWEIGHTED DATA

SOURCE: INFORMATION SYSTEMS STUDY, FOOD MARKETING INSTITUTE, 1987

FMI asked MIS executives to indicate their top three concerns. Retail automation headed this list, mentioned by over 30 percent of the companies responding to this question. Also included were subjects such as DSD and time and labor scheduling. Personnel was a concern of several companies. Some specific personnel issues mentioned were finding and training qualified people, keeping qualified employees (turnover), productivity, and the cost of qualified personnel. A third frequently mentioned concern was personal computers. Some specific areas included their interface with mini-computers and mainframes and support and training for PC users.

* * *

SAMPLE QUESTIONNAIRE

This is a sample of the survey instrument used to gather the data contained in this year's study.

INFORMATION SYSTEMS DEPARTMENT STAFFING

1. Please provide the number of employees in your company directly involved in the information systems function. You may use fractional allocations where appropriate. (Employees listed in Question 1 will typically be part of the IS department/division, not a user group.)

	Number of Employees in Information Systems Department	Totals
IS Administration:		
General Administration/Secretarial	_____	
Senior Management	_____	
Total Management		_____
Systems:		
Administration & Management	_____	
Data Base/Data Administration	_____	
Project Management	_____	
Development (Analyst/Programmers)	_____	
Systems Programming	_____	
Other	_____	
Total Systems		_____
Operations:		
Administration, Management, Supervision	_____	
Operations	_____	
Data Entry Employees	_____	
Other	_____	
Total Operations		_____
Additional Support Areas:		
Store Systems Support	_____	
Scanning Support	_____	
Information Center	_____	
Help Desk	_____	
Data Security	_____	
Telecommunications Voice	_____	
Telecommunications Data	_____	
Technical Support/Systems Programmers	_____	
Retail Automation Support	_____	
Quality Assurance	_____	
Other	_____	
Total Additional Support Areas		_____
TOTAL EMPLOYEES		_____

2. For this fiscal year, please provide the PERCENT OF YOUR TOTAL COMPANY INFORMATION SYSTEMS EXPENSE BUDGET that is your budget responsibility allocated to each of the following areas. Please exclude all equipment and maintenance costs for in-store systems. (Please give percents as two-digit numbers plus one decimal place, i.e. 12.5%)

Wages and Salaries		___.___%
Employee Fringe Benefits		___.___%
Equipment:	Rental and Lease	___.___%
	Maintenance	___.___%
	Depreciation	___.___%
Software Rental, Amortization/Software Purchase		___.___%
Voice or Data Communications		___.___%
Service Bureaus		___.___%
Outside Professional Services		___.___%
Education, Training		___.___%
Supplies		___.___%
Overhead (occupancy, copies, printing)		___.___%
Disaster Recovery*		___.___%
Help Desk		___.___%
Mail Room/Word Processing Voice		___.___%
Personal Computers Retail Service		___.___%
Scanning		___.___%
Other		___.___%
TOTAL		100.0%

* Funds allocated to offsite storage of information and backup computer processing capabilities.

3. Please provide the following IS expense budget numbers for this fiscal year. Only account for those items that are your budget responsibility. (Please give percents as two-digit numbers, i.e., twelve percent = 12%, one tenth of one percent = .10%)

a. Dollars of total company expense budget allocated for IS WAGES AND SALARIES?
   Including fringe benefits.....$_____
   Excluding fringe benefits.....$_____

b. Dollars of TOTAL COMPANY EXPENSE BUDGET for all IS items covered in Question 2 .....$_____

c. Percent of net company SALES BUDGETED FOR THE IS DEPARTMENT for this fiscal year..... .___ ___%

d. Actual IS DOLLARS SPENT for most recently completed fiscal year as a PERCENT of net company sales..... .___ ___%

e. EXPECTED PERCENT INCREASE in your budget for IS items in the upcoming fiscal year.....__ __.__ __%

f. What percent of your total IS expense budget is allocated to:
   A. Store Systems..... ___ ___ ___%
   B. Headquarter/Distribution Center Systems..... ___ ___ ___%
   TOTAL..... 100%

g. Would you be willing to provide further details of IS department expenditures?...../_/Yes..../_/No

INFORMATION SYSTEMS ACTIVITIES & TECHNOLOGY

4. What percent of systems development activity including your own and vendor time is allocated to:

New applications/major enhancements for:	Store Systems	___ ___ ___%
	Headquarter/Distribution Center Systems	___ ___ ___%
Internal IS projects (research, performance, improvement, etc.)		___ ___ ___%
Maintenance and problem-solving		___ ___ ___%
Other (please list)_____		___ ___ ___%
		100%

5a. Do you have a formal disaster recovery plan that has been reviewed in the last 12 months?
/ /Yes (Go to Question 5b) / /No (Go to Question 5c)

5b. What type of disaster recovery plan do you have:

A. Remote hot site...../ /
B. Remote cold site...../ /
C. Dual site...../ /
D. Other...../ /

5c. Have you tested the disaster recovery plan in the last six months?...../ /Yes / /No

6. Does the IS department have budgetary responsibility for:

Mail Room...../ /Yes / /No
Word Processing...../ /Yes / /No
Voice...../ /Yes / /No
Personal Computers...../ /Yes / /No
Retail Services...../ /Yes / /No

7. Please check one box for each of the following technologies, indicating your company's level of experience for that technology.

Technology	Level of Experience: Evaluation	Development	Limited Use	Advanced Use	Number of Stores (if applicable)	Not Applicable
Information Center	/ /	/ /	/ /	/ /	___ ___ ___	/ /
Data Base	/ /	/ /	/ /	/ /	___ ___ ___	/ /
Distributed Processing Between Divisions	/ /	/ /	/ /	/ /	___ ___ ___	/ /
Distributed Processing In-Store	/ /	/ /	/ /	/ /	___ ___ ___	/ /
Micro-Fiche	/ /	/ /	/ /	/ /	___ ___ ___	/ /
Laser Printing	/ /	/ /	/ /	/ /	___ ___ ___	/ /
Computer Graphics	/ /	/ /	/ /	/ /	___ ___ ___	/ /
Personal Computers with Mainframe Connection	/ /	/ /	/ /	/ /	___ ___ ___	/ /
4th Generation Language	/ /	/ /	/ /	/ /	___ ___ ___	/ /
ATM	/ /	/ /	/ /	/ /	___ ___ ___	/ /
EFT/POS (Debit Card at Checkout)	/ /	/ /	/ /	/ /	___ ___ ___	/ /
UCS	/ /	/ /	/ /	/ /	___ ___ ___	/ /
UCS/DSD	/ /	/ /	/ /	/ /	___ ___ ___	/ /
Clerk Operated Terminal	/ /	/ /	/ /	/ /	___ ___ ___	/ /
Office Automation*	/ /	/ /	/ /	/ /	___ ___ ___	/ /
Expert Systems	/ /	/ /	/ /	/ /	___ ___ ___	/ /
On-line Documentation	/ /	/ /	/ /	/ /	___ ___ ___	/ /
On-line Training	/ /	/ /	/ /	/ /	___ ___ ___	/ /

* Includes: Electronic Mail, Word Processing, Voice Message, Calendar, Desk Top Publishing

8a. Do you have any Retail Automation ?..... /_/Yes _____stores (Go to Question 8b)
/_/No (Go to Question 9)

8b. For personal computers and/or mini computers, please indicate the NUMBER OF STORES in which Retail Automation is either being tested or is in full production:

	TEST		PRODUCTION	
	PC	MINI	PC	MINI
DSD	_____	_____	_____	_____
Labor Scheduling	_____	_____	_____	_____
Video Rentals	_____	_____	_____	_____
Electronic Mail	_____	_____	_____	_____
Scan Interface	_____	_____	_____	_____
Pharmacy	_____	_____	_____	_____
Administration	_____	_____	_____	_____
Time and Attendance	_____	_____	_____	_____
Scale Interconnect	_____	_____	_____	_____
Other (specify)	_____	_____	_____	_____

9. Help Desk

a. Do you have a help desk?...../_/Yes.../_/No (Go to Question 10)

b. What position does it report to?..... _____

c. How many full-time equivalents (FTE's) are assigned to the help desk?..... _____FTE's
* FTE is a position with 2080 hours/calendar year

d. What are the hours of coverage?_____ Live? _____ On-call? _____

e. What functional areas are supported?

Scanning...../_/Yes /_/No
Retail Automation...../_/Yes /_/No
Order Entry...../_/Yes /_/No

f. Total budget for help desk.....$_____

GENERAL INFORMATION

10. What were your total annual company sales for your most recent fiscal year (only include divisions/departments for which you are providing IS service)?.....$_____

11. Is your company primarily (majority of your sales) a food:...../_/Retailer /_/Wholesaler

12. In this survey, have you reported information for your: A. Total supermarket company...../_/
B. A division/subsidiary/partial company of a supermarket corporation /_/

13. How many supermarkets (those food stores with at least $2 million annual sales) did you operate in 1986?..... _____stores

14. What are the three highest concerns or issues you, as an MIS executive for your organization, face in the next three years?

A. _____

B. _____

C. _____

DO YOU WANT TO LEARN MORE ABOUT OTHER PUBLICATIONS?

YES. Please send me more information about the following publications:

- ☐ Annual Financial Review
- ☐ Checks and Cash Transactions: A Cost Analysis for the Supermarket
- ☐ Facts About Store Development
- ☐ The Food Marketing Industry Speaks—An Annual Report on the State of the Industry
- ☐ Inform ion Systems Directory—A list of hardware and software
- ☐ Information Systems Survey—A comprehensive study of Information System Departments
- ☐ Management Compensation Study for Wholesalers and Large Retailers
- ☐ Operating Results of Independent Supermarkets
- ☐ Operations Review
- ☐ Supermarket Pharmacies
- ☐ Supermarket Software Directory
- ☐ Traffic and Transportation
- ☐ Trends—Consumer Attitudes and the Supermarket

Name/Title: _____

Company: _____

Type of Company: _____

Address: _____

_____

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